

Memorandum

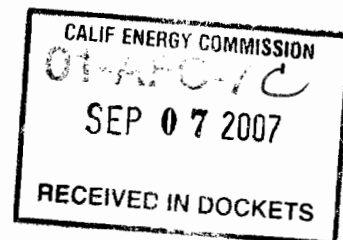
Date: September 7, 2007

Telephone: (916) 653-0062

To: John L. Geesman, Presiding Member
Jeffrey D. Byron, Associate Member

From: California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Lance Shaw 7 Sept. 07
Lance Shaw, Compliance Project Manager



Subject: **RUSSELL CITY ENERGY CENTER AMENDMENT NO. 1 ENERGY COMMISSION
STAFF COMMENTS ON PMPD (01-AFC-7C)**

Energy Commission staff offers the following the comments on the Presiding Members Proposed Decision (PMPD) for the Russell City Energy Center Amendment No. 1. New wording is shown in underline and the deleted wording is shown in strikeout.

In Introduction, page 1, footnote 3, should be September 11, 20062.

In Introduction, page 10, Section E, Water Supply and Waste, the first sentence should read: The cooling and process water used at RCEC will ~~continue to consist of secondary effluent supplied by the City of Hayward's WPCF located across from the plant.~~ be tertiary treated recycled water.

In General Conditions of Certification: On page 28, Annual Compliance Fee (Compliance-9), the annual fee is adjusted each year for inflation and has changed to \$17,676 as of July 1, 2007.

In Air Quality: **AQ-SC7** references in the Verification, ~~AQ-SC19~~, it should be AQ-SC-19

Staff understands and concurs with **AQ-SC12** as written by the Siting Committee in the August 2007 Presiding Members Proposed Decision for the Russell City Energy Center Amendment No. 1 (CEC-800-2007-003-PMPD). The condition as written limits the fireplace retrofit or replacement program expansion to residents of Alameda County "west of the Oakland/East Bay Hills" rather than all of Alameda County that staff had proposed in their Staff Assessment. The intent of staff's proposal was the use of the political and governmental boundaries clearly delineated by including the entire county. The PMPD language will target fireplace retrofits or replacements nearer the project. Regardless, Air Unit staff believes that **AQ-SC12** also provides very specific tonnage targets that have to be met with either fireplace retrofits or replacements or emission reduction credit such that potential particulate emissions impacts from the project will be mitigated.

Staff understands and concurs with the revised Air Quality Condition of Certification **AQ-SC11** in the project owner's August 31, 2007 comments on the PMPD. The project owner is recommending revising the condition to specify different emission reduction credit certificate numbers. The revised credit numbers are from sources nearer the project. Staff has been working with the project owner to ensure that both RCEC and the East Altamont Energy Center (01-AFC-4C; licensed August 20, 2003; not yet under construction; Calpine, project owner) are both fully mitigated after the transfer of credits.

In Cultural Resources; On page 148, Findings and Conclusions, #3, replace ~~Biological~~ with Cultural Resources.

The Committee has asked whether there are any practical difficulties with the measures listed in condition of certification **TRANS-10**. To staff's knowledge, these measures are feasible; however, implementation of many of them is dependent on the actions of the Federal Aviation Administration and the Hayward Executive Airport. Because the project owner does not have direct control over these measures, the schedule for completing them is uncertain. Staff recommends that the project owner begin working early with the FAA and the airport so as not to delay the start of operation of the power plant.

The last two measures of **TRANS-10** did not appear in the Staff Assessment, which is the basis for the condition of certification. Staff recommends that the following language be added to the Verification so the Compliance Project Manager has a mechanism to ensure that these measures have been implemented.

At least 60 days prior to the start of construction, the project owner shall submit to the CPM for approval final design plans for the power plant that depict the required air traffic hazard lighting. The lighting shall be inspected and declared operational by the CPM (or designated inspector) prior to the start of operations.

The project owner shall provide simultaneously to the CPM copies of all advisories sent to the Hayward Executive Airport Air Traffic Control tower.

Staff has reviewed and concurs with the project owner's suggested changes to **TRANS-10**.

Regarding **LAND-2**, staff is unable to find any zoning code or building code provision which is inconsistent with the use of the leased parcel part of the switchyard.

cc: Proof of Service List